



City of Lakeland Proposed FY 2024 Annual Budget

Presentation & Public Hearing
September 7, 2023

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City Manager

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FY 2024 Budget Process Timeline

- February 7- 8, 2023 City Commission Strategic Planning Retreat
- July 28, 2023 City Commission Budget Workshop
- September 7, 2023 1st Public Hearing
- September 21, 2023 2nd Public Hearing/Budget Adoption
- October 1, 2023 Start of Fiscal Year 2024

Budget Hearing Overview

- Budget Assumptions
 - Property Value Increases
 - Proposed Millage and Cost Assumptions
 - Wages
- Strategic Plan Target Area Expenditures
- Budget Investments and Additions
- Commission Initiatives
- Staffing Changes
- Budget Discussion
 - Summaries
 - Days' Cash
 - Millage

FY 2024 Budget Assumptions

- Budgeted property value growth in FY 2024 = 12.15%
- Estimated property value growth in FY 2025 = 5.00%
- Estimated property value growth in FY 2026 = 5.00%

FY 2024 Budget Assumptions

- Maintain General Fund reserves at a minimum of 45 to 60 days cash-on-hand through Fiscal Year 2026
- Adopt the proposed millage rate of 5.4323 mills
- Limit growth in controllable expenditures to 2.75%
- Recognize 7.5% increase in health insurance rates

FY 2024 Budget Assumptions

- Across the Board Salary Adjustments
 - FOP = 1.5%
 - IAFF = 1.5%
 - IBEW = TBD
 - UWUA-Electric = 3.0%
 - UWUA-Water = 3.0%
- Merit increases for Eligible Employees
 - FOP = 2.5%
 - IAFF = 2.5%
 - IBEW = TBD
 - UWUA-Electric = 2.5%
 - UWUA-Water = 2.5%

FY 2024 Budget Assumptions

- Market Adjustments
 - UWUA-Electric = 7.0%
 - UWUA-Water = 3.5%

FY 2024 Budget Assumptions

- Provide Across the Board Salary Adjustments
 - General employees = 3.0%
- Provide Merit Increases for Eligible Employees
 - General employees = 2.5% or 3.0%, based upon their placement to midpoint within their pay range

FY 2024 Budget Assumptions

- Implementation of the Wage and Benefit Study
 - Aligns with Public Sector Comparison Group (“Market”)
 - Targets the Market’s 50th percentile for pay structures
 - Establishes open ranges for exempt management and specialist career groups (fewer grades with larger differences between grades)
 - Retains step pay plan for technicians, trades, operations, and support career groups (15 steps versus 19 steps with larger progression of 5.0% between grades)
 - Recommends specific job classification market wage adjustments
- Total implementation cost = \$3M (3.6%)

Strategic Plan Target Areas:

1. Infrastructure
2. Economic Development
3. Affordable Housing
4. City Hall Communication
5. Parks and Recreation
6. Resiliency Planning
7. Public Safety

Target Area 1: Infrastructure

Strategic Objective: Determine proactive means to fund and shift the traffic and transportation needs for the next decade

FY 2024 Budget Impact: \$2,785,600

Funding Sources: CRA and Transportation Fund

Highlights:

- ✓ Pavement Marking Maintenance Program
- ✓ Lakeland Park Center Drive West Connector
- ✓ 5 Points Roundabout
- ✓ New Sidewalks and Trails
- ✓ Dynamic Parking

Target Area 2: Economic Development

Strategic Objective: Create investment opportunities to attract companies who provide jobs at 115+% of AMI

FY 2024 Budget Impact: \$2,536,000

Funding Sources: Airport, CRA, Electric, and Water

Highlights:

- ✓ Catalyst 2.0
- ✓ Manufacturing and Research Incentives
- ✓ Polk County Bonus Incentives
- ✓ Oak Street Mixed Use Redevelopment & Public Parking Garage

Target Area 2: Economic Development | Education

Strategic Objective: Identify tangible methods to support and strengthen education in Lakeland

FY 2024 Budget Impact: \$512,664

Funding Sources: All Funds

Highlights:

- ✓ Aerospace Center for Excellence
- ✓ Flying Classroom
- ✓ Elevate – ACE Partnership
- ✓ Big Brothers Big Sisters
- ✓ Power Academy
- ✓ Internship Program
- ✓ Tuition Reimbursement

Target Area 3: Affordable Housing

Strategic Objective: Increase the inventory of affordable rental units

FY 2024 Budget Impact: \$2,886,555

Funding Sources: CDBG, HOME, SHIP, CRA

Highlights:

- ✓ Rehabilitation (9 units)
- ✓ Home Purchase (23 units)
- ✓ New Construction (135 units)
- ✓ Emergency Repairs (10 units)

Target Area 4: City Hall Communication

Strategic Objective: Maintain a collaborative environment within City Hall, Commission, and Community

FY 2024 Budget Impact: \$168,900

Funding Sources: All Funds

Highlights:

- ✓ Employee Engagement Survey
- ✓ Employee Celebration
- ✓ VIP Lunch/Awards
- ✓ Citizen Survey
- ✓ LinkedIn Learning
- ✓ Leadership Programming

Target Area 5: Parks & Recreation

Strategic Objective: Identify future revenue sources that help raise funds for future park needs

FY 2024 Budget Impact: \$35,000

Funding Sources: Lakes & Stormwater and Water Utilities

Highlights:

- ✓ Water Education and Conservation Program at Florida Children’s Museum

Target Area 7: Public Safety

Strategic Objective: Continuation of current directives for recruitment, hiring, and retention

FY 2024 Budget Impact: \$923,589

Funding Sources: General Fund

Highlights:

- ✓ General Recruitment Costs
- ✓ 12 Fire Personnel for Kelly Day Implementation

Strategic Plan Target Areas

\$9,848,308

Total FY 2024 Target Area Expenditures

Strategic Plan Target Areas

Target Area	FY22	FY23	FY24	Total
1 Infrastructure	\$ 1,707,506	\$ 2,024,000	\$ 2,785,600	\$ 6,517,106
2 Economic Development	\$ 1,748,950	\$ 3,486,000	\$ 2,536,000	\$ 7,770,950
Economic Development - Education	\$ 988,750	\$ 534,956	\$ 512,664	\$ 2,036,370
3 Affordable Housing	\$ 3,325,000	\$ 3,708,459	\$ 2,886,555	\$ 9,920,014
4 City Hall Communication	\$ 161,053	\$ 178,402	\$ 168,900	\$ 508,355
5 Parks & Recreation	\$ 161,500	\$ 985,000	\$ 35,000	\$ 1,181,500
6 Resiliency Plans	\$ 64,750	\$ -	\$ -	\$ 64,750
7 Public Safety	\$ 45,582	\$ 9,260,385	\$ 923,589	\$ 10,229,556
	\$ 8,203,091	\$ 20,177,202	\$ 9,848,308	\$ 38,228,601

FY 2024 Budget Investments and Additions

- Cybersecurity and Information Technology (Various Funds) - \$210,213
- Infrastructure Support Equipment (Various Funds) - \$1,437,400
- Public Safety Technology (General Fund) - \$54,000
- Additional Vehicles (Lakes & Stormwater and Wastewater Utility) - \$113,600
- Additional Operating and Maintenance (Various Funds) – \$2,814,541

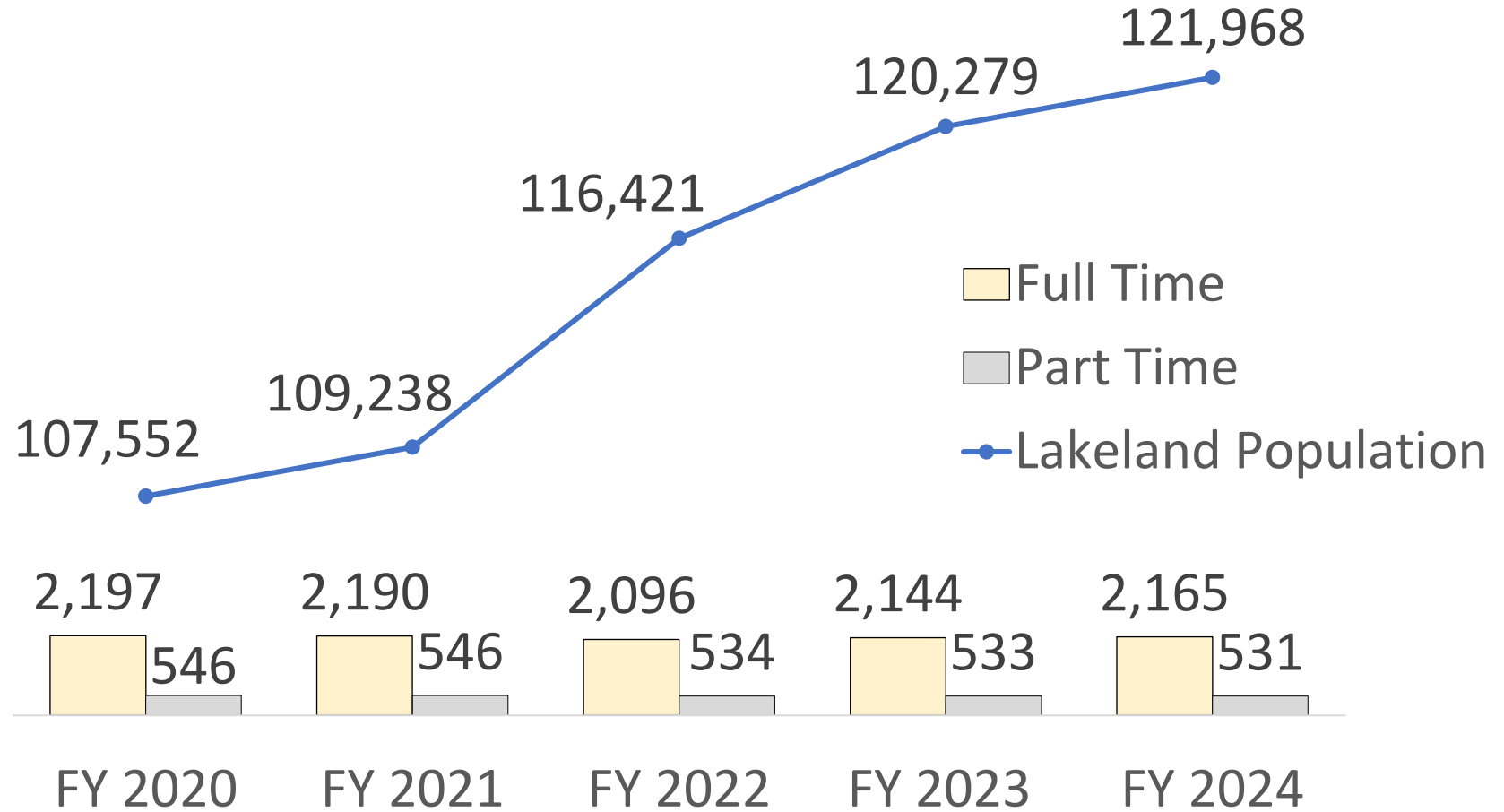
Total - \$4,629,754

FY 2024 Budget – Proposed Commission Initiatives

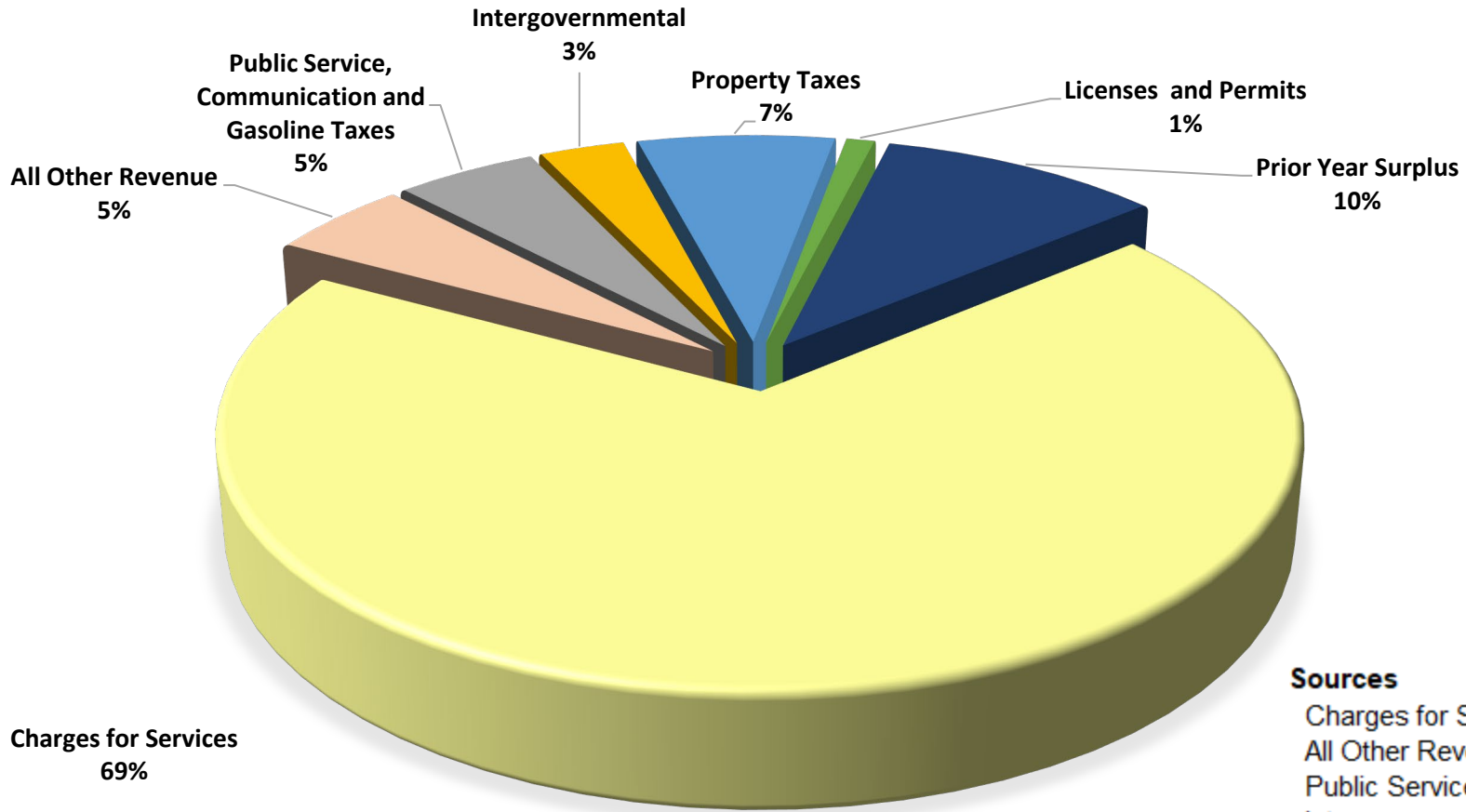
- Polk Museum of Art expansion (General Fund) - \$250,000
- Small Business Development (CRA - BBIC/Prospera) - \$200,000
- Mayor’s Council on the Arts (General Fund) - \$275,000
- Affordable Housing (General Fund) - \$1,000,000

Total - \$1,725,000

Staffing Changes to Meet Growing Service Demands



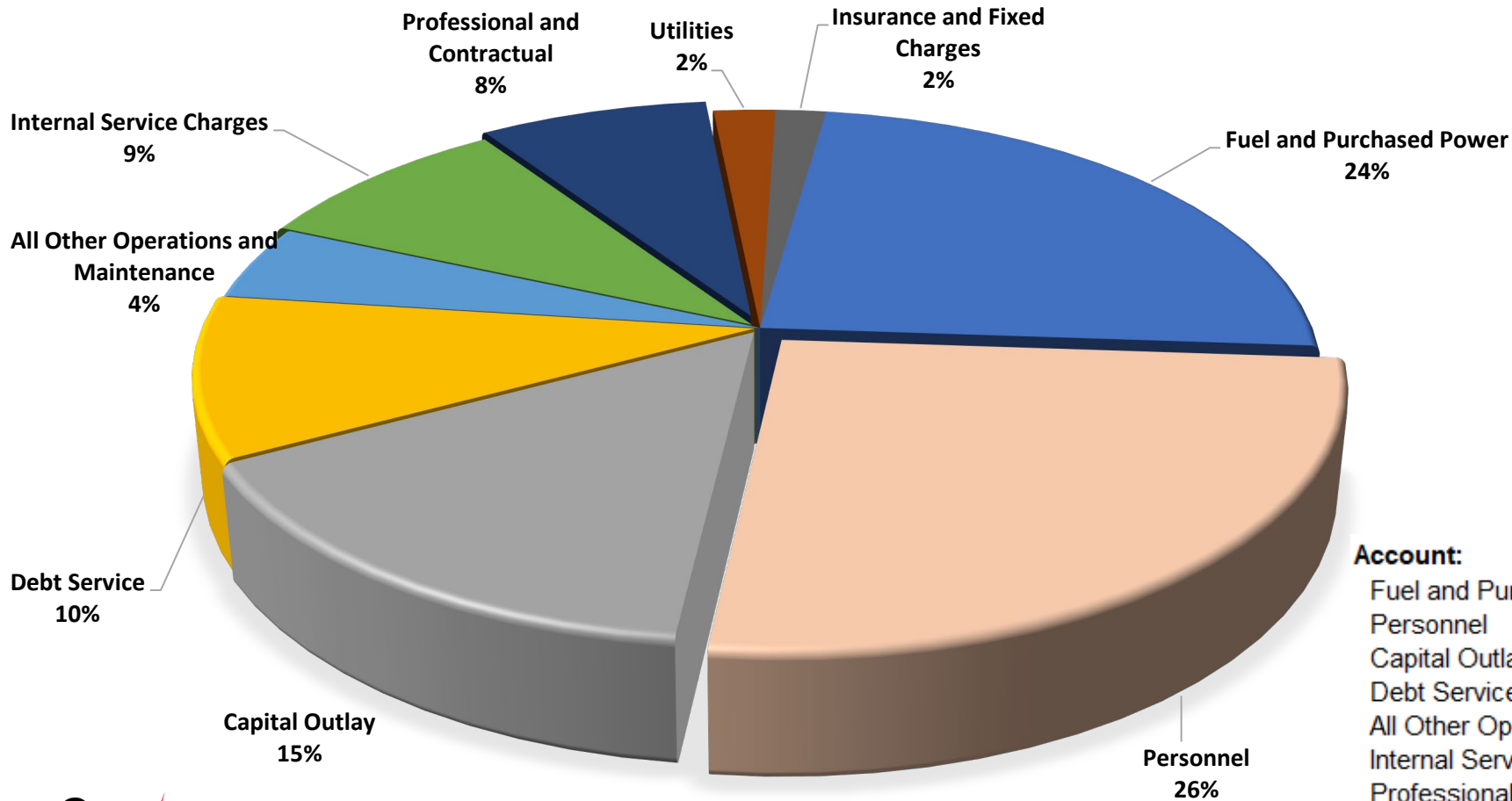
FY 2024 Budget Revenue Sources – All Funds



Sources

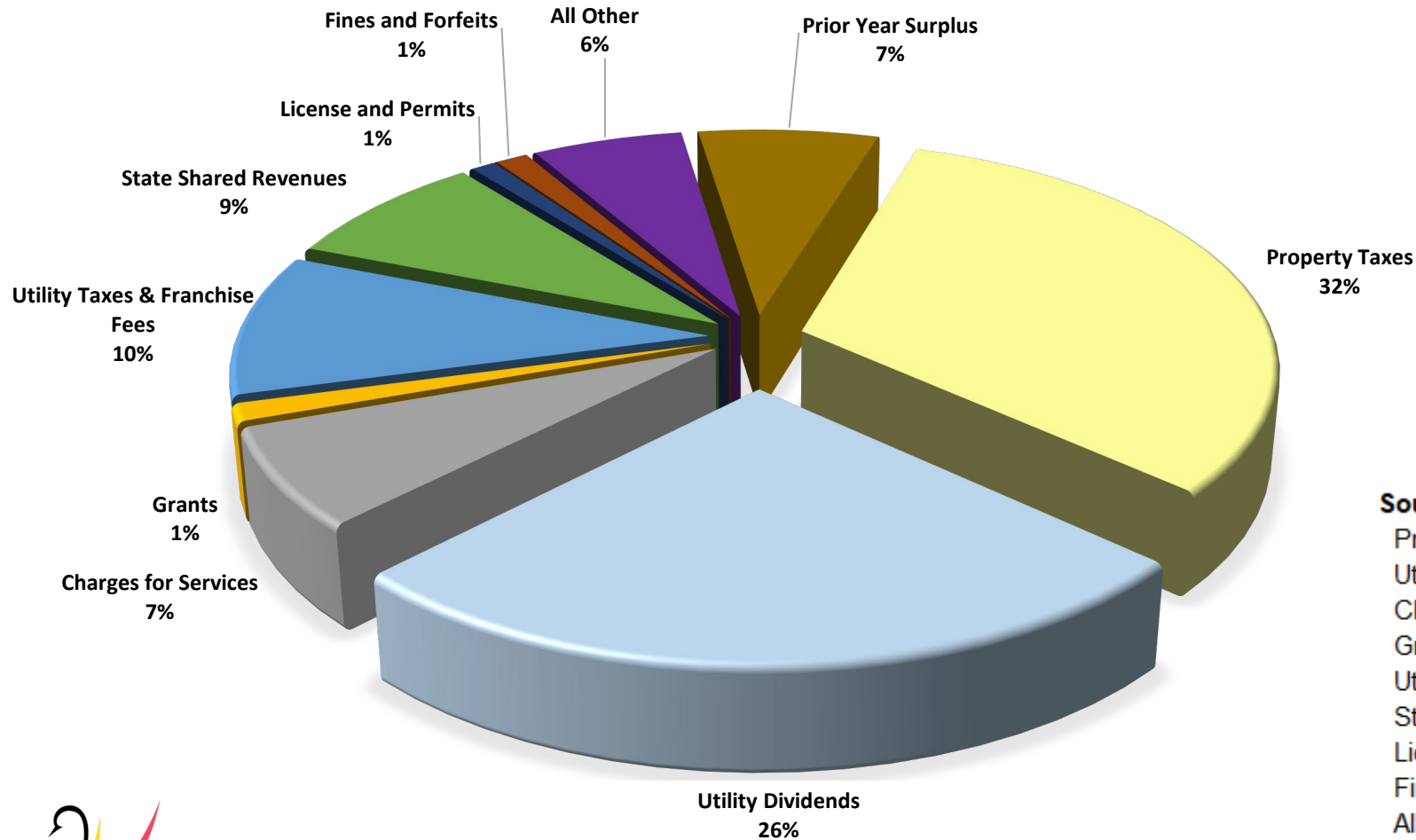
Charges for Services	\$ 518,649,048
All Other Revenue	34,182,737
Public Service, Communication and Gas Taxes	38,587,542
Intergovernmental	24,425,957
Property Taxes	55,201,868
Licenses and Permits	4,011,602
Prior Year Surplus	71,904,084
Total Revenues	\$ 746,962,838

FY 2024 Budget Expense by Account – All Funds



Account:	
Fuel and Purchased Power	\$ 178,313,162
Personnel	192,535,498
Capital Outlay	113,943,581
Debt Service	74,137,470
All Other Operations and Maintenance	34,596,445
Internal Service Charges	66,943,406
Professional and Contractual	58,110,142
Utilities	15,600,044
Insurance and Fixed Charges	12,783,090
Total Expenditures	\$ 746,962,838

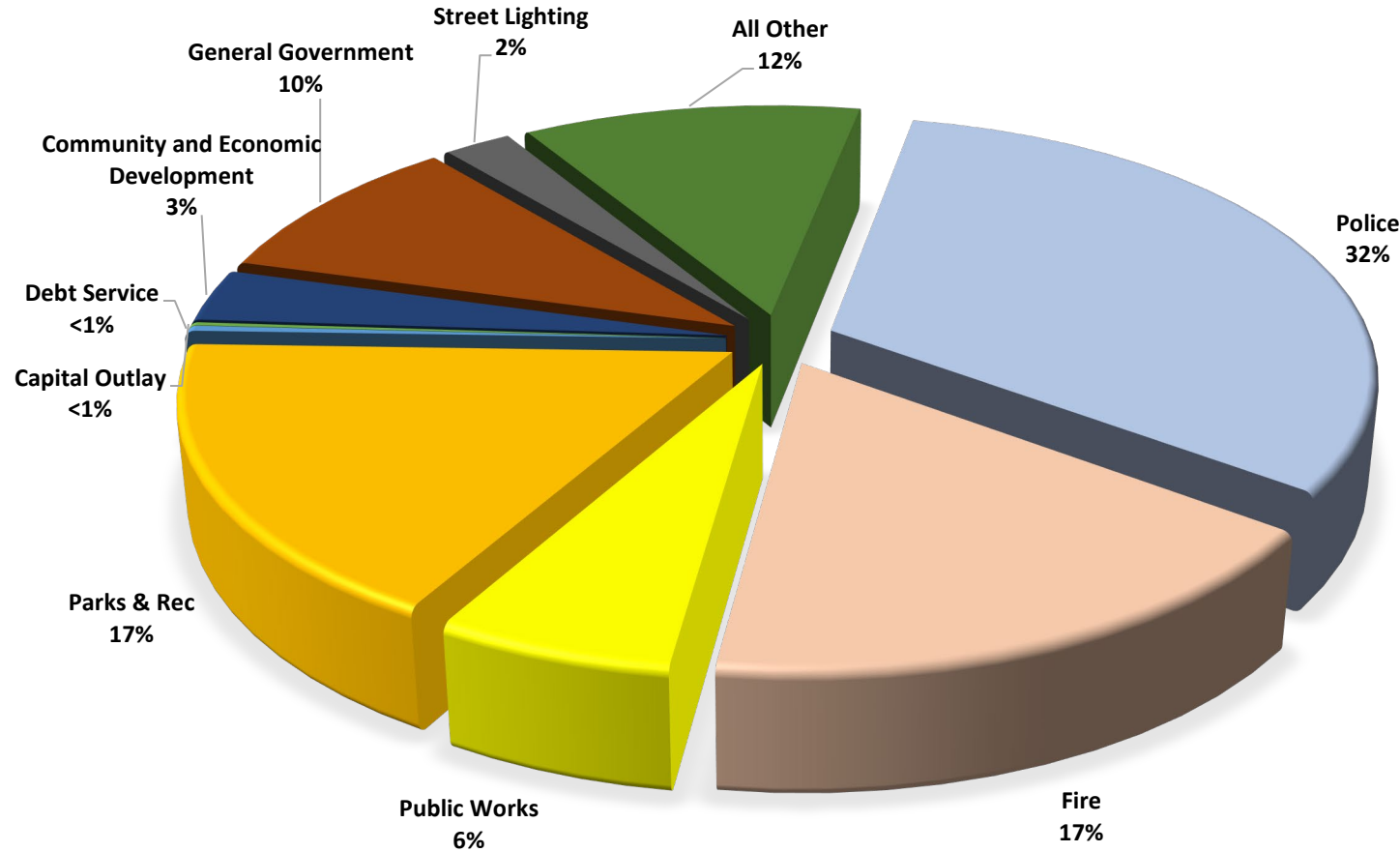
FY 2024 General Fund Revenues



Sources:

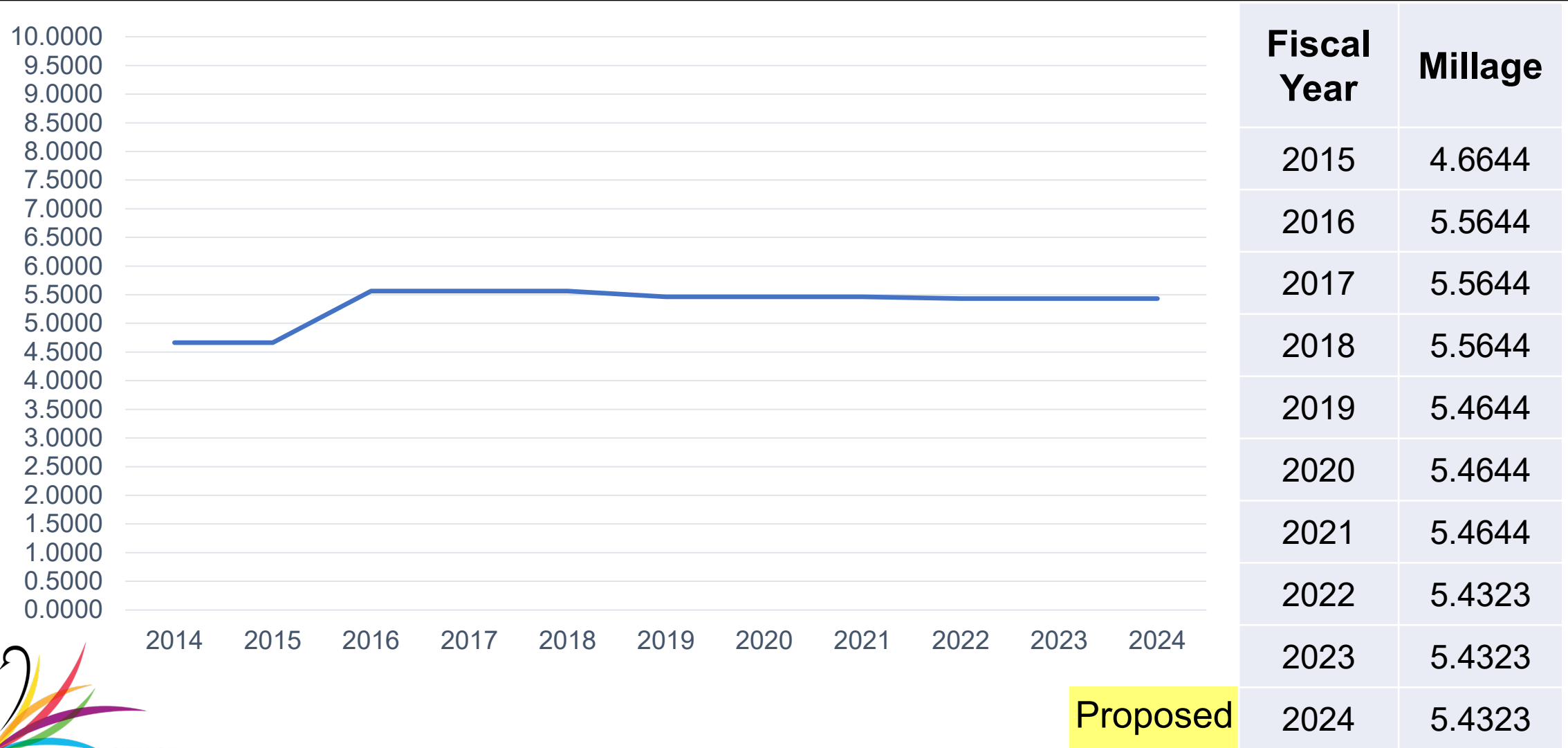
Property Taxes	\$ 55,201,868
Utility Dividends	44,464,304
Charges for Services	12,263,865
Grants	2,160,482
Utility Taxes & Franchise Fees	17,674,432
State Shared Revenues	14,406,320
License and Permits	1,664,775
Fines and Forfeits	2,220,680
All Other	10,313,345
Prior Year Surplus	12,302,649
Total Revenues	\$ 172,672,720

FY 2024 General Fund Expenses



Department:	
Police	\$ 55,395,615
Fire	29,480,379
Public Works	10,429,878
Parks & Rec	29,791,209
Debt Service	575,143
Capital Outlay	339,875
Community and Economic Development	5,699,178
General Government	16,607,371
Street Lighting	4,036,069
All Other	20,318,003
Total Expenditures	\$ 172,672,720

Historical Ad Valorem Millage Rates



General Fund Days' Cash

5.4323 mills (Current millage)

	FY'23	FY'24	FY'25	FY'26
FY Starting Surplus	42,922,365	54,361,348	48,344,266	43,061,699
Budgeted revenues	142,686,594	153,801,776	159,513,412	165,422,180
Budgeted expenses	150,185,611	165,554,858	170,714,979	177,146,541
<i>Budgeted Surplus Generated / (Used)</i>	<i>(7,499,017)</i>	<i>(11,753,082)</i>	<i>(11,201,567)</i>	<i>(11,724,361)</i>
<i>Budgeted Ending Surplus</i>	<i>35,423,348</i>	<i>42,608,266</i>	<i>37,142,699</i>	<i>31,337,338</i>
Forecasted Revenue Savings	5,957,000	769,000	798,000	827,000
Forecasted Expense Savings	12,981,000	4,967,000	5,121,000	5,314,000
Total GF Ending Surplus	54,361,348	48,344,266	43,061,699	37,478,338
Days Cash	132	108	93	78

Millage Adoption during Public Hearing on September 21st

- A super majority vote of the City Commission is required during the budget hearings on September 7th and 21st to adopt a 5.4323 millage.

Rolled-back Millage	Millage <u>Threshold</u> for Simple Majority	Proposed Millage	Maximum Millage <u>Threshold</u> for Super Majority
5.0030	5.1451	5.4323	5.6596
Simple Majority Required (4 votes)	Simple Majority Required (4 votes)	Super Majority Required (5 votes)	Super Majority Required (5 votes)

FY 2024 Budget Adoption Schedule

- 1st Public Hearing: 6:00 p.m., September 7, 2023
- 2nd Public Hearing & Budget Adoption: 6:00 p.m., September 21, 2023
- Start of FY 2024: October 1, 2023



Questions and Discussion